



004821

Contract # 069094

## STATE OF UTAH CONTRACT

1. **CONTRACTING PARTIES:** This contract is between the following agency of the State of Utah: **Department of Transportation**, Agency Code: **810**, **Motor Carrier Division**, referred to as (STATE), and the following CONTRACTOR:

**Penna Power Brian Haynes**  
Name

**1706 South Major Street**  
Address

**Salt Lake City**  
City

**Utah**  
State

**84115**  
Zip

**LEGAL STATUS OF CONTRACTOR**

- ☐ Sole Proprietor  
☐ Non-Profit Corporation  
☒ For-Profit Corporation  
☐ Partnership  
☐ Government Agency

Contact Person **Dave Smith**  
Federal Tax ID # **87-0410756**

Phone # **801.487.4800**  
Supplier # **38199F**

Email **dsmith@ppbh.com**  
Commodity Code #s **91829, 91876 & 91548**

2. **GENERAL PURPOSE OF CONTRACT:** The general purpose of this contract is to provide: **Motor Carrier Interactive Training and Software Development Project.**
3. **PROCUREMENT:** This contract is entered into as a result of the procurement process on RX#, **810 66-012**, FY **06**, Bid# **JG6006.**
4. **CONTRACT PERIOD:** Effective date **October 10, 2005** Termination date **October 03, 2006**, unless terminated early or extended in accordance with the terms and conditions of this contract. Renewal options: **Two (2) One (1) Year**
5. **CONTRACT COST:** CONTRACTOR will be paid a maximum of **\$142,500.00** for costs authorized by this contract. Additional work authorized under the authority of this contract will be paid at a blended hourly rate of **\$115.00 per hour.**
6. **ATTACHMENT A:** Division of Purchasing's Standard Terms and Conditions  
**ATTACHMENT B:** Scope of Work  
**ATTACHMENT C:** Special Terms and Conditions

**Any conflicts between Attachment A and other Attachments will be resolved in favor of Attachment A.**

7. **DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:**
- All other governmental laws, regulations, or actions applicable to the goods and/or services authorized by this contract.
  - Utah State Procurement Code, Procurement Rules, and CONTRACTOR'S response to Bid # **JG6006** dated **August 31, 2005.**

**IN WITNESS WHEREOF**, the parties sign and cause this contract to be executed.

**CONTRACTOR**

  
John Haynes, President and Partner Date **18 JAN 06**

**STATE**

  
Kelvin G. Thacker, Procurement Manager Date **18 JAN 06**

  
Director, Division of Purchasing Date **JAN 24 2006**

**PROCESSED BY**  
**DIVISION OF FINANCE** Date **JAN 24 2006**  
Director, Division of Finance

James T. Phillips, C.P.M., A.P.P.  
Agency Contact Person

801.965.3836  
Telephone Number

801.9654073  
Fax Number

jamesphillips@utah.gov  
Email Address

REC'D FEB 01 2006

(Revision 08/26/2003)

## ATTACHMENT A

### STANDARD TERMS AND CONDITIONS

1. **AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63-56, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the State to purchase certain specified services, and other approved purchases for the State.
2. **CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
3. **LAWS AND REGULATIONS:** Any and all supplies, services and equipment furnished will comply fully with all applicable Federal and State laws and regulations.
4. **RECORDS ADMINISTRATION:** The Contractor shall maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records shall be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years, have been completed, whichever is later. The Contractor agrees to allow State and Federal auditors, and State Agency Staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
5. **CONFLICT OF INTEREST:** Contractor represents that none of its officers or employees are officers or employees of the State of Utah, unless disclosure has been made in accordance with 67-16-8, Utah Code Annotated, 1953, as amended.
6. **CONTRACTOR, AN INDEPENDENT CONTRACTOR:** The Contractor shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the State to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the State, except as herein expressly set forth. Compensation stated herein shall be the total amount payable to the Contractor by the State. The Contractor shall be responsible for the payment of all income tax and social security amounts due as a result of payments received from the State for these contract services. Persons employed by the State and acting under the direction of the State shall not be deemed to be employees or agents of the Contractor.
7. **INDEMNITY CLAUSE:** The Contractor agrees to indemnify, save harmless, and release the State OF UTAH, and all its officers, agents, volunteers, and employees from and against any and all loss, damages, injury, liability, suits, and proceedings arising out of the performance of this contract which are caused in whole or in part by the negligence of the Contractor's officers, agents, volunteers, or employees, but not for claims arising from the State's sole negligence.
8. **EQUAL OPPORTUNITY CLAUSE:** The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.
9. **SEPARABILITY CLAUSE:** A declaration by any court, or any other binding legal source, that any provision of this contract is illegal and void shall not affect the legality and enforceability of any other provision of this contract, unless the provisions are mutually dependent.
10. **RENEGOTIATION OR MODIFICATIONS:** This contract may be amended, modified, or supplemented only by written amendment to the contract, executed by the same persons or by persons holding the same position as persons who signed the original agreement on behalf of the parties hereto, and attached to the original signed copy of the contract.
11. **DEBARMENT:** The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the State. The Contractor must notify the State Director of Purchasing within 30 days if debarred by any governmental entity during the Contract period.
12. **TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon 90 days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.
13. **NONAPPROPRIATION OF FUNDS:** The Contractor acknowledges that the State cannot contract for the payment of funds not yet appropriated by the Utah State Legislature. If funding to the State is reduced due to an order by the Legislature or the Governor, or is required by State law, or if federal funding (when applicable) is not provided, the State may terminate this contract or proportionately reduce the services and purchase obligations and the amount due from the State upon 30 days written notice. In the case that funds are not appropriated or are reduced, the State will reimburse Contractor for products delivered or services performed through the date of cancellation or reduction, and the State will not be liable for any future commitments, penalties, or liquidated damages.
14. **SALES TAX EXEMPTION:** The State of Utah's sales and use tax exemption number is E33399. The tangible personal property or services being purchased are being paid from State funds and used in the exercise of that entity's essential functions. If the items being purchased are

construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract.

15. **WARRANTY:** The contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the contractor's skill or judgment to consider when it advised the State about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.
16. **PUBLIC INFORMATION:** Contractor agrees that the contract will be a public document, and may be available for distribution. Contractor gives the State express permission to make copies of the contract and/or of the response to the solicitation in accordance with the State of Utah Government Records Access and Management Act. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, copyright information, or similar notation.
17. **DELIVERY:** Unless otherwise specified in this contract, all deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the State except as to latent defects, fraud and Contractor's warranty obligations.
18. **ORDERING AND INVOICING:** All orders will be shipped promptly in accordance with the delivery schedule. The Contractor will promptly submit invoices (within 30 days of shipment or delivery of services) to the State. The State contract number and/or the agency purchase order number shall be listed on all invoices, freight tickets, and correspondence relating to the contract order. The prices paid by the State will be those prices listed in the contract. The State has the right to adjust or return any invoice reflecting incorrect pricing.
19. **PAYMENT:** Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. All payments to the Contractor will be remitted by mail unless paid by the State of Utah's Purchasing Card (major credit card).
20. **PATENTS, COPYRIGHTS, ETC.:** The Contractor will release, indemnify and hold the State, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of this contract.
21. **ASSIGNMENT/SUBCONTRACT:** Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State.
22. **DEFAULT AND REMEDIES:** Any of the following events will constitute cause for the State to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract. The State will issue a written notice of default providing a ten (10) day period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for damages. If the default remains, after Contractor has been provided the opportunity to cure, the State may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages, if liquidated damages are listed in the contract; 4. Suspend Contractor from receiving future solicitations.
23. **FORCE MAJEURE:** Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The State may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.
24. **PROCUREMENT ETHICS:** The Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State of Utah is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (63-56-1002, Utah Code Annotated, 1953, as amended).
25. **CONFLICT OF TERMS:** Contractor Terms and Conditions that apply must be in writing and attached to the contract. No other Terms and Conditions will apply to this contract including terms listed or referenced on a Contractor's website, terms listed in a Contractor quotation/sales order, etc. In the event of any conflict in the contract terms and conditions, the order of precedence shall be: 1. State Standard Terms and Conditions; 2. State Special Terms and Conditions; 3. Contractor Terms and Conditions.

(Revision date: July 5, 2005)

## ATTACHMENT B

### SCOPE OF WORK AND PRICING

The CONTRACTOR shall provide the STATE with multimedia graphics and production design services as directed in establishing an interactive information/training and performance measurement tool. This is to be accomplished through meeting at least six (6) major project tasks in the approximate timelines defined and at the cost indicated. These are:

1. **Creating an overall Brand and Branding strategy** for this project. This task will take from Week One (1) through Week Seven (7) of the project and cost \$10,000.00
2. **Updating the Utah Trucking Guide**, a regulation manual, and developing an interactive informational delivery system to inform and educate those affected by rules and laws governing the motor carrier industry. This task will take from Week Eight (8) through Week Eleven (11) of the project and cost \$12,000.00.
3. **Updating the operations manual** containing internal policies and procedures and developing a web based, interactive information delivery and training system/tool. This task will run concurrent with task 2 and take from Week Eight (8) through Week Eleven (11) and cost \$12,000.00.
4. **Creating a performance planning and evaluation tracking system.** This would include incorporating users performance and with an electronic performance planning, evaluation and tracking system to be completed by the users online. The system will track training module usage and pass/fail status with established performance planning expectations. In addition, the system will automatically populate performance plans once training modules are completed and notify management as specified. This task will take from Week Eight (8) through Week Twenty-Three (23) and cost \$58,500.00.
5. **Revising and developing further the current website** to accommodate a fully interactive informational platform and delivery system for user's looking for information on rules and regulations governing the motor carrier industry. Any development will conform to current STATE system standards and protocols. This task is divided into two (2) phases. The first will take from Week Two (2) through Week Seven (7). The second phase will take from Week Twenty-Four (24) through Week Thirty-One (31). The cost for this task is \$10,000.00.
6. **Developing online forms and application systems** needs to make the entire project operational. This task will take from Week Eight (8) through Week Twenty-One (21) and cost \$40,000.00.

## **ATTACHMENT C**

### **SPECIAL TERMS AND CONDITIONS**

**CHANGE IN PERSONNEL** No change in personnel assigned to individual projects will be permitted without prior written approval by the STATE. All personnel must be available during the time frames specified on individual projects.

**NON-COMPETE CLAUSE** The CONTRACTOR represents its officers and employees are free to contract with STATE and are not subject to restrictions by the terms of their present or past employment including, but not limited to an agreement not to compete for a period of time unless disclosure has been made. CONTRACTOR must disclose to the STATE any possible conflicts, in writing, before the contract is signed, and the STATE will evaluate whether to continue with contract execution. STATE may elect to terminate a contract immediately with a CONTRACTOR who is subsequently determined to be subject to such restrictions without liability to the STATE. If the STATE elects to terminate a contract for this reason, the STATE will supersede paragraph #12 in Attachment A - Standard Terms and Conditions and will not provide 30 day prior notice to the CONTRACTOR.

**INVOICING.** CONTRACTOR shall submit invoices to STATE:

Richard Clasby, Director  
UDOT, Motor Carrier Division  
Box 148240  
4501 South 2700 West  
Salt Lake City, UT 84114-8240

The contract number shall appear on all invoices and correspondence. Billings must be itemized, showing hours worked by each staff member with a clear definition of the project phase the work relates to. All billings must correlate to the project progress reports and submitted in a timely manner. Upon approval of the invoice by the STATE's Representative, payments will be processed every other week. STATE will remit payment by mail.

**PROGRESS REPORTS.** The CONTRACTOR will submit monthly progress reports in sufficient detail to document progress of the work and support the monthly claim for payment. Minimally the progress reports shall identify the deliverables completed, for which payment requests are being made, a brief synopsis of the Task Order contents, and the invoice number of the payment request. The report is to be submitted at the same time as an invoice. Payments will not be made without a supporting progress report. Separate project reports and invoices shall be submitted for each active Task Order.

**PRICE GUARANTEES.** The CONTRACTOR agrees the prices bid on services in this contract shall be guaranteed for the term of the contract.

**RESPONSIBILITY FOR WAGES.** The CONTRACTOR is responsible for all applicable company wages in accordance with the federal, state and local laws and ordinances.

**CONTRACT SCHEDULE, DELAYS AND EXTENSION:** Completion of the contract in accordance with the schedule is the responsibility of the CONTRACTOR. The CONTRACTOR agrees to proceed with the performance of this contract continually and diligently in accordance with the agreed upon contract schedule and will make no charges or claims for extra compensation due to delays or hindrances within its control. Failure to comply with the contract schedule constitutes adequate justification for contract termination. The STATE may allow an extension of time beyond the agreed upon schedule, but by doing so does not waive any of its rights under the contract to secure full and complete contract performance

**ASSIGNMENT OF CONTRACT** The CONTRACTOR shall not sublet, assign or transfer any part of this contract without prior written approval from STATE. Neither shall the provision of monies due under this contract be assignable without prior written approval of STATE.

**NOTIFICATION.** Notice given under this contract shall be written, or sent by facsimile or other electronic means. Written notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service which delivers to the noticed destination and provides proof of delivery to the sender. Facsimile or other electronic notice must be followed within three (3) days by written notice. All notices shall be effective when first received at the following addresses:

If to CONTRACTOR:

Dave Smith, Vice President  
Penna Powers Brian Haynes  
1706 South Major Street  
Salt Lake City, UT 84115  
(801) 487.4800 Voice  
(801) 487.0707 Fax

with copies to:

John Haynes  
Traci Houghton

If to STATE:

Richard Clasby, Director  
UDOT, Motor Carrier Division  
Box 148240  
4501 South 2700 West  
Salt Lake City, UT 84114-8240  
(801) 965.4156 Voice  
(801) 965.4338 Fax

with copies to:

Shirleen Hancock  
James T. Phillips, C.P.M., A.P.P.

**CONFIDENTIAL INFORMATION.** To the extent work under this contract requires the CONTRACTOR may be given access to confidential or proprietary business, technical, or financial information belonging to the STATE. The CONTRACTOR shall, after receipt thereof, treat such information as confidential. Both parties shall maintain, as confidential, and shall not disclose to any person outside its employ, nor use for purposes other than performance of this Contract, any specifications, drawings, blueprints, data, business information, or other confidential information which is learned by virtue of this Contract, except where required by law. CONTRACTOR agrees not to appropriate such information to their own use or disclose such information to other parties unless specifically authorized by the STATE in writing. Upon expiration of this Contract, both parties shall promptly return all confidential material and copies to the other party. The foregoing obligations, however, shall not apply to:

- A. Information which, at the time of receipt by the CONTRACTOR, is in public domain.
- B. Information which is published after receipt by the CONTRACTOR, or otherwise becomes part of the public domain through no fault of the CONTRACTOR.
- C. Information which the CONTRACTOR can demonstrate was already in its possession at the time of receipt, and was not acquired directly or indirectly from the STATE.
- D. Information which the CONTRACTOR can demonstrate was received from a third party who did not require the CONTRACTOR to hold such information in confidence.

**QUALITY OF SERVICES.** CONTRACTOR represents to STATE that it is experienced in and thoroughly familiar with all aspects of the services required hereunder and is properly qualified as applicable and is equipped, organized, and financially able to perform the services.

No changes in the services to be provided by CONTRACTOR under this Contract shall be made without STATE's prior written approval.

**OWNERSHIP OF WORK PRODUCT.** Any and all technical code, scripts, copy, illustrations, photography, music or other materials prepared by CONTRACTOR for STATE shall be and remain the property of CONTRACTOR until such time as CONTRACTOR has been paid in full. Upon payment in full, all materials, which were approved and used by STATE, shall become the sole and exclusive property of STATE.

CONTRACTOR further agrees that STATE is and shall be vested with all rights, title, and interests, including patent, copyright, trade secret, and trademark rights in CONTRACTOR's work product produced under this Contract. CONTRACTOR shall not encumber said work product in any way or act(s) inconsistent with STATE's title thereto.

All documents and data pertaining to work required by this contract will be the property of the STATE and must be delivered to the STATE within 10 working days after termination of the contract, regardless of the reason for termination; and without restriction or limitation to their further use. Cost to all the above items will be considered as included in the basic contract compensation of the work as described.

**INTELLECTUAL PROPERTY INDEMNITY.** Upon STATE's written notification to CONTRACTOR, CONTRACTOR shall defend, at its expense, any claim against STATE alleging the Services, or any part thereof, infringe on any patent, copyright, trademark, trade secret, mask work, or other intellectual property interest in any country, and shall pay all costs and damages awarded. If an injunction against STATE's use, sale, lease, license, other distribution of the Services or Product, or any part thereof, results from such a claim (or, if STATE reasonably believes such an injunction is likely), CONTRACTOR shall, at its expense, (and in addition to the CONTRACTOR's other obligations hereunder) and as STATE requests, obtain for STATE the right to continue using, selling, leasing, licensing, or otherwise non-infringing but functionally equivalent. The provisions of this section shall not apply to any claim for infringement resulting solely from CONTRACTOR's compliance with STATE's detailed design specifications, where provided

**DEVELOPMENT STANDARDS** CONTRACTOR agrees that all software development tools used for design, development, source code control and programs, will follow STATE standard. All software development tools must receive prior approval by the Project Manager before being used in the development/design phase of the project.

**RIGHT OF FUTURE DEVELOPMENT** The STATE reserves all rights to future development of this system, and is in no way required to obtain the services of the CONTRACTOR for these developments or release these developments to the CONTRACTOR.

**SIMILAR PRODUCTS** Should the STATE independently design, develop, or acquire ideas and concepts identical or similar to those provided by or contained in the CONTRACTOR's product. CONTRACTOR agrees this Contract shall not prevent STATE from using such ideas or concepts to design, develop, or acquire hardware or software for its use, provided STATE does not copy the CONTRACTOR's product.

**FAILURE TO COMPLETE.** At any time the CONTRACTOR determines the contract work cannot be completed within the specified time or budget, the CONTRACTOR must notify STATE in writing, immediately. The STATE may, at its sole discretion, extend the contract by written modification.

**NON-PERFORMANCE.** If, at any time, CONTRACTOR fails to demonstrate the required expertise (as represented in the CONTRACTOR's proposal) or fails to meet acceptable standards of performance, the STATE reserves the right to require the CONTRACTOR to replace individual(s) with a competent individual(s). This replacement must be approved by the STATE's Representative. If the CONTRACTOR fails to accomplish project objectives or meet schedule commitments established in meetings with the STATE Project Manager, this contract may be canceled immediately. If the STATE elects to terminate the contract for this reason, the STATE will supersede paragraph #12 in Attachment A - Standard Terms and Conditions, and will not provide 30 days prior notice to the CONTRACTOR.

**TERMINATION.** The occurrence of any of the following constitutes a breach by CONTRACTOR unless corrected by CONTRACTOR within two (2) weeks.

- CONTRACTOR failure to perform services and/or deliver product on time.
- Services performed and/or products delivered by CONTRACTOR do not conform with the terms set forth in this Contract.
- CONTRACTOR fails to perform any material provision of this Contract.
- CONTRACTOR assigns this Contract, or any obligation or rights hereunder. (The term "assign" to include, without limitation, a transfer of majority.)
- CONTRACTOR sells or merges with a third-party (not a parent or subsidiary company) without the prior written consent of STATE.
- CONTRACTOR becomes insolvent or makes an assignment for the benefit of creditors, or a receiver, or similar officer is appointed to take charge of all or part of CONTRACTOR's assets.

CONTRACTOR shall cure any of the above breaches and notify STATE of such cure within two (2) weeks from receipt of a notice to cure from STATE. If CONTRACTOR fails to cure, STATE may terminate this Contract by giving CONTRACTOR written notice. STATE shall have no liability to CONTRACTOR thereafter except for payment of any balance due for conforming services performed prior to the date of STATE's notice to cure. STATE may, at its option and without regard to CONTRACTOR's ability to cure, terminate this Contract for cause in the event of any second or subsequent instances of the above breaches by CONTRACTOR.

On termination, the work products produced by the CONTRACTOR in any stage of completion shall be turned over to the STATE immediately. An appraisal of the value of work performed to the date of termination shall be made to establish the amount due to or from the Contractor. Also, all accounts and payments will be processed in accordance with financial arrangements set forth herein for work performed and/or material or services furnished up until the date of termination.

**FACILITIES AND MATERIALS** The CONTRACTOR and all personnel working under this contract shall not acquire, borrow, copy, or use in any manner software, documentation, or data on any STATE data processing facility for use other than as required to complete this contract.

**SUSPENSION OF WORK** Should the STATE desire to suspend the work, but not terminate the contract, this will be done by written confirmation. The work may be reinstated upon two (2) weeks advance written notice from the STATE. The STATE understands any such suspension of the work may affect both the time of performance and price to complete the work when reinstated.

**TERMINATION FOR OTHER THAN NON-PERFORMANCE.** If the STATE terminates for reasons other than non-performance, the CONTRACTOR is relieved of any performance responsibilities on the project, and the withheld performance guarantee amount will be released by the STATE. The estimated completion of projects may overlap in new fiscal years. (STATE fiscal year is from July 1, to June 30). If funding is not allocated for individual projects, which overlap into the new fiscal year, the project will be automatically terminated on June 30<sup>th</sup> without written notice to CONTRACTOR.